



<b>Selection Criteria</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b><i>Cost Efficiency/Credit Reduction/Public Funds</i> Maximum 20 points</b>	<b>20</b>	<b>18</b>	<b>18</b>
<input checked="" type="checkbox"/> Cost Efficiency	18	0	0
<input checked="" type="checkbox"/> Credit Reduction	20	0	0
<input checked="" type="checkbox"/> Public Funds	18	18	18
<b><i>Owner / Management Characteristics</i> Maximum 9 points</b>	<b>9</b>	<b>9</b>	<b>9</b>
<input checked="" type="checkbox"/> General Partner Experience	6	6	6
<input checked="" type="checkbox"/> Management Experience	3	3	3
<b><i>Housing Needs</i> Maximum 10 points</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b><i>Site Amenities</i> Maximum 15 points</b>	<b>15</b>	<b>15</b>	<b>15</b>
<input checked="" type="checkbox"/> Rural project within ½ mile of public park or community center open to general public	3	3	3
<input checked="" type="checkbox"/> Rural project within ½ mile of public library	3	3	3
<input checked="" type="checkbox"/> Rural project within ½ mile of a full-scale grocery store w/staples/fresh meat/produce	4	4	4
<input checked="" type="checkbox"/> Rural Large Family project within ½ mile of public school project children may attend	3	3	3
<input checked="" type="checkbox"/> Rural project within 1 mile of medical clinic or hospital	3	3	3
<b><i>Service Amenities</i> Maximum 10 points</b>	<b>10</b>	<b>10</b>	<b>10</b>
<input checked="" type="checkbox"/> After school programs of an ongoing nature for school age children	5	5	5
<input checked="" type="checkbox"/> Educational classes (e.g. ESL, Computer training, etc. and aren't same as After School)	5	5	5
<b><i>Sustainable Building Methods</i> Maximum 8 points</b>	<b>8</b>	<b>8</b>	<b>8</b>
<input checked="" type="checkbox"/> Flow restrictors for kitchen & bath faucets or water-saving fixtures	1	1	1
<input checked="" type="checkbox"/> Minimum 1 High Efficiency Toilet (1.3 gpf) or dual flush	2	2	2
<input checked="" type="checkbox"/> Formaldehyde free cabinets, countertops and shelving	1	1	1
<input checked="" type="checkbox"/> CRI Green-label, low-VOC carpet and pad	1	1	1
<input checked="" type="checkbox"/> Bathroom fans in all bathrooms w/humidistat, timer and outdoor exhaust	2	2	2
<input checked="" type="checkbox"/> Formaldehyde-free insulation	1	1	1
<b><i>Lowest Income</i> Maximum 52 points</b>	<b>52</b>	<b>50</b>	<b>50</b>
<input checked="" type="checkbox"/> Basic Targeting	50	50	50
<b><i>Readiness to Proceed</i> Maximum 20 points</b>	<b>20</b>	<b>15</b>	<b>15</b>
<b><i>State credit substitution</i> Maximum 2 points</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total Points</b>	<b>146</b>	<b>137</b>	<b>137</b>

**Tie-Breaker Information**

Tie-Breaker Categories Apply to this Project: **No**

First: **Housing Type Large Family**  
Second: **Calculated Ratio per Regulation 10325(c)(12) 87.022%**

<b>Unit Type &amp; Number</b>	<b>2007 Rents % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
3 Two-bedroom Units	35%	\$406
9 Two-bedroom Units	50%	\$567
11 Two-bedroom Units	55%	\$627
1 Two-bedroom Units	60%	\$667
2 Three-bedroom Units	35%	\$468
6 Three-bedroom Units	50%	\$653
8 Three-bedroom Units	55%	\$703
1 Three-bedroom Unit	60%	\$743
1 Four-bedroom Unit	50%	\$730
1 Four-bedroom Unit	55%	\$780
1 Four-bedroom Unit	Manager's unit	\$0

The general partner(s) or principal owner(s) are Self-Help Enterprises.

The project developer is Self-Help Enterprises.

The management agent is Professional Apartment Management.

The market analyst is Laurin Associates.

The Local Reviewing Agency, Housing Authority of the County of Kern, has completed a site review of this project and strongly supports this project.

### Project Financing

Estimated Total Project Cost: \$13,643,882 Per Unit Cost: \$310,088 Construction Cost Per Sq. Foot: \$205

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo Bank	\$12,430,226	USDA Rural Development	\$1,000,000
		County of Kern - HOME	\$2,000,000
		Investor Equity	\$10,643,882
		<b>TOTAL</b>	<b>\$13,643,882</b>

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$10,672,267
130% High Cost Adjustment:	No
Applicable Fraction:	100%
Qualified Basis:	\$10,672,267
Applicable Rate:	8.30%
Total Maximum Annual Federal Credit:	\$885,798
Total State Credit:	\$3,201,680
Approved Developer Fee:	\$1,200,000
Tax Credit Factor:	\$0.88260

Applicant requests and staff recommends annual federal credits of \$885,798 and total state credits of \$3,201,680, based on a qualified basis of \$10,672,267 and a funding shortfall of \$10,643,882.

### Cost Analysis and Line Item Review

The requested eligible basis \$10,672,267 is at the TCAC's threshold basis limit \$10,672,267. The basis limit was increased by the following extraordinary features: projects that are required to pay state or federal prevailing wages, projects that include distributive energy technologies such as micro turbines and/or renewable energy sources such as solar, local development impact fees, the adjustment for projects with 3 or more energy efficiency/resource conservation/indoor air quality items, installing bamboo, stained concrete, cork, salvaged or FSC-Certified wood, ceramic tile, or natural linoleum in all living rooms or 50% or all common areas, using CRI Green Label Plus Carpet or no carpet in all bedrooms, using vent kitchen range hoods to the exterior of the building in at least 80% of the units, Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations.

Annual operating expenses meet the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one.

Staff has calculated federal tax credits based on 8.30% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

**Special Issues/Other Significant Information:** Staff has reduced the voluntary basis reduction from \$2,382,914 to \$1,882,914 to compensate for \$500,000 in off site improvements that was incorrectly allocated in the budget.

**Legal Status:** Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

**Recommendation:** Staff recommends that the Committee make a preliminary reservation of tax credits, in the following amount(s) contingent upon standard conditions and any additional conditions imposed by the Committee:

Federal/Annual	State/Total
\$885,798	\$3,201,680

### Standard Conditions

An application for a carryover allocation must be submitted by [October 31, 2007](#), as required by regulation section 10328(d), together with the applicable allocation fee and all required documentation. The time for meeting the "10%" test and submitting related documentation will be no later than six (6) months after the date of the executed carryover allocation (as defined by IRC Section 42 and IRS Notices). The applicant must ensure the project meets all Additional Threshold Requirements for the housing type of the proposed project.

The applicant must submit all documentation required for a Final Reservation no later than February 1 of the year that the building(s) must be placed in service pursuant to Section 42(h)(E)(i) of the Internal Revenue Code of 1986, as amended. The applicant shall provide the Committee a Final Reservation application providing the documentation for the project set forth in Section 10322(i)(1) of these regulations. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a performance deposit and allocation fee calculated in accordance with regulation. The performance deposit must be paid by cashier's check within 20 calendar days of any preliminary reservation. The allocation fee must be paid within a time period specified in the preliminary reservation letter. The allocation fee will be due prior to execution of a carryover allocation or issuance of tax forms, whichever comes first. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount [of federal credit and state credit shown](#) above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of ten years and at no cost to the tenants.

Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(8) at project completion.

Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2)(P) at project completion.

**Additional Conditions: None**

**Project Analyst: Dave Heng**